

RESOLUTION NO. 10-08

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING AMENDMENTS TO CERTAIN PURCHASE AND SALE AGREEMENTS IN ORDER TO CONFORM TO A CHANGE IN APPLICABLE LAW

WHEREAS, the State of California (the “State”) is party to a Master Settlement Agreement entered into on November 23, 1998, among the attorneys general of 46 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands and the Original Participating Manufacturers (as defined therein) pursuant to which the State is entitled to receive certain payments; and

WHEREAS, Article 7 (commencing with Section 63049; (“Article 7”) of Chapter 2 of the Bergeson-Peace Infrastructure and Economic Development Bank Act (Division 1 of Title 6.7 of the California Government Code) authorizes the California Infrastructure and Economic Development Bank (the “Bank”) to sell for, and on behalf of, the State, and solely as its agent, all or any portion of the tobacco assets, as defined in Article 7, received pursuant to the Master Settlement Agreement, or any residual interests therein, to a special purpose trust established as a not-for-profit corporation pursuant to Article 7, and, for that purpose, to enter into one or more sale agreements with that special purpose trust on the terms the Bank deems appropriate; and

WHEREAS, pursuant to the Article 7, the State has sold to the Golden State Tobacco Securitization Corporation (the “Corporation”) the 2003A Tobacco Assets and 2003B Tobacco Assets defined in the purchase and sale agreements described herein; and

WHEREAS, in order to purchase certain 2003A Tobacco Assets, the Corporation issued its bonds designated “Tobacco Settlement Asset-Backed Bonds, Series 2003A” (the “Series 2003A Bonds”), and in order to sell those tobacco assets, the Bank entered into a Purchase and Sale Agreement with the Corporation, dated as of January 1, 2003 (the “2003A Sale Agreement”); and

WHEREAS, in order to purchase the 2003B Tobacco Assets, the Corporation issued its “Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B” (the “Series 2003B Bonds”), and in order to sell those tobacco assets, the Bank entered into a Purchase and Sale Agreement with the Corporation, dated as of September 1, 2003 (the “2003B Sale Agreement”); and

WHEREAS, the Corporation subsequently issued its refunding bonds designated “Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2005A” (the “Series 2005 Bonds”) to refund the Series 2003B Bonds, and in connection with the Series 2005 Bonds, the Bank and the Corporation entered into a First Supplemental Purchase and Sale Agreement, dated as of July 1, 2005, supplementing the 2003B Sale Agreement (the “2005 First Supplemental Sale Agreement”); and

WHEREAS, the Corporation subsequently issued its bonds designated “Tobacco Settlement Asset-Backed Bonds, Series 2007” (the “Series 2007 Bonds”) in part to refund the Series 2003A Bonds and in part to purchase certain residual 2003A Tobacco Assets, and in in

order to sell those residual 2003A Tobacco Assets, the Bank entered into a Purchase and Sale Agreement with the Corporation, dated as of February 1, 2007 (the "2007 Sale Agreement"); and

WHEREAS, a recent change in law (Stats. 2009, Ch. 28, effective August 6, 2009; Senate Bill 53)), which amended Section 63049.4 within Article 7, has permitted certain amendments to the Master Settlement Agreement and related documents ; and

WHEREAS, in conformance with this recent change in law, the Bank desires to amend the following provisions of the following documents:

- (i) Section 4.01 of the 2003A Sale Agreement as set forth in the First Supplemental Purchase and Sale Agreement, the proposed form of which is now on file with the Secretary of the Board of Directors ("Secretary") and presented to this meeting (the "2003 Amendatory Sale Agreement"); and
- (ii) Section 4.01 of the 2003B Sale Agreement and Section 2.01 of the 2005 First Supplemental Sale Agreement as set forth in the Second Supplemental Purchase and Sale Agreement, the proposed form of which is now on file with the Secretary and presented to this meeting (the "2005 Amendatory Sale Agreement"); and
- (iii) Section 4.01 of the 2007 Sale Agreement as set forth in the First Supplemental Purchase and Sale Agreement, the proposed form of which is now on file with the Secretary and presented to this meeting (the "2007 Amendatory Sale Agreement"); and

WHEREAS, pursuant to their respective terms, the 2003A Sale Agreement, the 2003B Sale Agreement and the 2005 First Supplemental Sale Agreement and the 2007 Sale Agreement may be amended by agreement of the Corporation and the Bank, for, and on behalf of, the State, with the consent of the trustee for the Series 2005 Bonds and the Series 2007 Bonds, as applicable, to make any changes that, as evidenced by a related Rating Confirmation (as defined in each referenced sale agreement), do not adversely affect the applicable Bonds in any material respect; and

WHEREAS, the consent of the trustee for the Series 2005 Bonds and the Series 2007 Bonds is anticipated to be granted upon that trustee's receipt of the applicable required Rating Confirmation, and the Rating Confirmations are currently being sought;

NOW, THEREFORE, BE IT RESOLVED by the California Infrastructure and Economic Development Bank as follows:

Section 1. Findings. All of the recitals herein are true and correct.

Section 2. Approval of Amendatory Sale Agreements. The proposed form of each of the 2003 Amendatory Sale Agreement, the 2005 Amendatory Sale Agreement and the 2007 Amendatory Sale Agreement each by and between the Bank for, and on behalf of, the State, as seller, and the Corporation, as purchaser, on file with the Secretary, is hereby approved. The Executive Director of the Bank (the "Executive Director"), the Chair of the Board of Directors of the Bank (the "Chair") or the Chair's designee, and each of them, acting alone, is hereby

authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver, the 2003 Amendatory Sale Agreement, the 2005 Amendatory Sale Agreement and the 2007 Amendatory Sale Agreement in substantially the respective form presented to this meeting, with such insertions and changes therein, as the official executing the same, with the advice of the Bank's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; subject only to the condition that the required Rating Confirmation shall have been delivered to the trustee for each of the Series 2005 Bonds and the Series 2007 Bonds and that such trustee has consented to the applicable amendments.

Section 3. Further Actions. The Executive Director, the Chair or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, to execute and deliver any and all instruments and certificates, which they or counsel to the Bank may deem necessary or advisable in order to effectuate the purpose of this resolution and Article 7.

Section 4. Effective Date. This resolution shall take effect immediately upon its adoption.

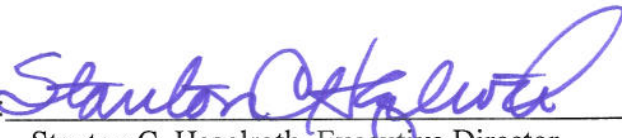
PASSED, APPROVED AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on February 23, 2010, by the following vote.

AYES: BRYANT, LUJANO, BERTE, SHEEHY


NAYS: NONE

ABSENT: RICE

ABSTAIN: NONE

By: 
Stanton C. Hazelroth, Executive Director

Attest:

By: 
Roma Cristia-Plant, Secretary
of the Board of Directors